



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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June 26, 2001

Certified Return Receipt  
7000 0520 0021 7582 9798

Alan Wilson  
Hecla Mining Company  
Box C-8000  
6500 Mineral Drive  
Coeur D'Alene, Idaho 83814

Dear Mr. Nelson:

Re: Status of Post-Mining Land Use Change and Reclamation Surety Release Request, Hecla Mining Company, Escalante Silver Mine, M/021/004, Iron County, Utah

The Division has completed its assessment of your letters dated February 5, and April 17, 2001. These letters addressed the outstanding issues that the Division identified in its August 1, 2000, letter which was provided as a follow-up to our July 19, 2000 site inspection.

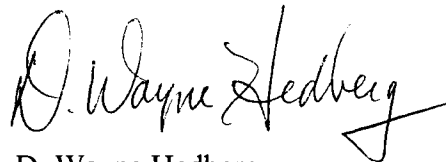
- While your letters did not discuss the property title issue, the Division received a draft 'disclaimer of interest' on June 4, 2001, from the BLM. A note was attached to the 'disclaimer' indicating that it was being sent to SITLA for signature. The BLM hoped to have all signatures in place by the end of the week. This will resolve the outstanding property title issue.
- The waste rock pile was to be regraded to a maximum 3h:1v slope, soil then being replaced over the waste rock and amended with 5 tons/acre of composted manure, and seeded. Your April 17<sup>th</sup> letter indicated that this reclamation work would be completed this fall.
- The question was raised whether the mill building and related facilities will be used for greenhouse facilities as proposed in the original request for a post mining land use change, or whether they will continue to be used for mining/milling related activities. Your letters indicated that Dixie Cable would address these issues directly with the Division. To date, Dixie Cable has not contacted or provided any supplemental information in this regard to the Division. This issue could be resolved by scheduling a meeting between all concerned parties to discuss the company's current plans.

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In summary, the property title issue should be finalized in the near term. Hecla has provided acceptable plans for the final reclamation of the waste rock pile, which will be completed this fall. The status of the original land use change proposal and status of Dixie Cable's mill site clean up actions remain in question. A meeting with the Division, Hecla, Dixie Cable and Department of Environmental Quality could resolve these remaining questions and enable the Division to finalize the processing of Hecla's postmining land use change and reclamation surety release request.

***Please contact Joelle Burns, Engineering Technician with the Minerals Program at (801) 538-5291, within 10 days of your receipt of this letter to schedule a meeting to resolve these remaining issues.*** If you have other questions or concerns, please contact me at (801) 538-5286, or Lynn Kunzler at 538-5310. Thank you for your continued patience and cooperation in working with us to finalize this permitting action.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
cc: Carl Hardman, Dixie Cable  
Ed Ginouves, BLM  
Steven Thiriot, DERR  
Mary Ann Wright, DOGM  
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